For years Wall Street gambled with our money and when they lost, they sent our economy into the worst crisis since the Great Depression. The irresponsible actions of a few big banks and investment firms have caused small businesses to close, people to lose their jobs and families' life-savings to be wiped out. This is unacceptable and we have a duty to act so this never happens again. I have always opposed TARP and other government bailouts but we need to go further.

That is why I proudly voted for the toughest Wall Street reform bill in decades. This bill will crack down on unscrupulous financial practices and prevent future bailouts. No company should ever be "too big to fail" and this bill ensures that we have the tools to prevent another crisis of this magnitude and to protect investors, small businesses and workers.

I was proud to vote for H.R. 4173, **The Wall Street Reform and Consumer Protection Act**. This bill will:

- End bailouts to ensure that taxpayers never again get hurt by Wall Street's irresponsibility;

- Protect families' retirement funds, college savings, homes and businesses' financial futures from unnecessary risk by greedy Wall Street executives;
- Protect consumers from predatory lending abuses;
- Provide transparency and accountability over a dysfunctional financial system.

ENDS TAXPAYER BAILOUTS AND "TOO BIG TO FAIL"

- H.R. 4173 will once and for all put end to "too big to fail" financial firms and ensure that taxpayers are never again left on the hook for Wall Street's reckless decisions.

- The bill creates an inter-agency oversight council that will identify financial companies that are so large, interconnected, or risky that their collapse would put the entire economy at risk. These systemically risky firms will be subject to heightened oversight, standards, and regulation.

- The bill establishes an orderly process for shutting down large, failing financial firms like AIG or Lehman Brothers in a way that ends taxpayer-funded bailouts and minimizes the impact on the financial system.

- If a large institution collapses, the bill holds Wall Street - not taxpayers - accountable. Any costs associated with dismantling a failed firm will be paid first from the company's assets at the expense of shareholders and creditors. Any additional costs will then be covered by a "dissolution fund" pre-funded by large financial companies.

INCREASES CONSUMER PROTECTIONS

- The bill will create the **Consumer Financial Protection Agency (CFPA),** a new federal agency devoted to protecting Americans from unfair and abusive financial products and services. Last year's crisis demonstrated that deceptive products – such as predatory mortgages and hidden credit card fees –damage the livelihoods of American families.

- The CFPA will act as an independent watchdog and play a key role in preventing another economic meltdown. Just like the FDA does for medical safety, it will set basic safety standards on financial products and prevent big banks from making a quick buck at the expense of American families.

- The CFPA will have the power to ban deceptive industry tactics such as teaser rates that are used to lure in customers and make huge profits. It will make sure that contracts for credit cards and mortgages are fair and comprehensible.

- The CFPA will keep watch over a number of financial industries, such as payday lenders and mortgage originators, which to date have escaped oversight.

PROTECTS FUTURE HOMEOWNERS

- H.R. 4173 includes comprehensive mortgage reform and anti-predatory lending measures that will outlaw the kinds of irresponsible and abusive loan practices that played a key role in the current financial meltdown.

- To restore the integrity of mortgage lending industry, this bill will make sure that the industry follows basic principles of sound lending, responsibility, and consumer protection, ensuring that borrowers can repay the loans they are sold, and irresponsible borrowers can no longer lie their way into loans and take on too much debt.

STOPS IRRESPONSIBLE BONUS & COMPENSATION PRACTICES

- H.R. 4173 addresses perverse pay practices that encourage executives to take excessive risk at the expense of their companies, shareholders, employees, and ultimately the American taxpayer – risks that contributed to the recent financial collapse.

- For the first time ever, shareholders of public companies will have an annual, non-binding “say on pay” vote on compensation packages and golden parachutes for top executives.

- The bill also requires financial firms with at least $1 billion in assets to disclose to federal regulators any incentive-based compensation structures. Federal regulators will then be authorized to ban any inappropriate or risky compensation practices that pose a threat to the financial system and to the broader economy.

Curbing Credit Card Abuses

I proudly voted in favor of the **Credit Card Accountability, Responsibility, and Disclosure (CARD) Act**, legislation that will end unfair industry practices and protect consumers from abusive tactics like retroactive rate increases, misleading late fee charges and over-limit fee traps.

BANNING UNFAIR RATE INCREASES

- *Bans Retroactive Rate Increases:* Bans rate increases on existing balances due to "any time, any reason" or "universal default" and severely restricts retroactive rate increases due to late payment.

- *First Year Protection:* Contract terms must be clearly spelled out and stable for the entirety of the first year. Firms may continue to offer promotional rates with new accounts or during the life of an account, but these rates must be clearly disclosed and last at least 6 months.

BANS UNFAIR FEE TRAPS

- *Ends Late Fee Traps:* Institutions will have to give card holders a reasonable time to pay the monthly bill – at least 21 calendar days from time of mailing. The act also ends late fee traps such as weekend deadlines, due dates that change each month, and deadlines that fall in the middle of the day.

- *Enforces Fair Interest Calculation:* Credit card companies will be required to apply excess payments to the highest interest balance first, as consumers expect them to do. The act also ends the confusing and unfair practice by which issuers use the balance in a previous month to calculate interest charges on the current month, so called "double-cycle" billing.

- *Requires Opt-In to Over-Limit Fees:* Consumers will find it easier to avoid over-limit fees because institutions will have to obtain a consumer’s permission to process transactions that would place the account over the limit.

- *Restrains Unfair Sub-Prime Fees:* Fees on subprime, low-limit credit cards will be substantially restricted.

- *Limits Fees on Gift and Stored Value Cards:* The act enhances disclosure on fees for gift and stored value cards and restricts inactivity fees unless the card has been inactive for at least 12 months.

PLAIN LANGUAGE DISCLOSURERS

- *Plain Language in Plain Sight:* Creditors will give consumers clear disclosures of account terms before consumers open an account, and clear statements of the activity on consumers’ accounts afterwards. For example, pre-opening disclosures will highlight fees consumers may be charged and periodic statements will conspicuously display fees they have paid in the current month and the year to date as well as the reasons for those fees. These disclosures will help consumers make informed choices about using the right financial products and managing their own financial needs. Model disclosures will be updated regularly based on reviews of the market, empirical research, and testing with consumers to ensure that disclosures remain clear, useful, and relevant.

- *Real Information about the Financial Consequences of Decisions:* Issuers will be required to show the consequences to consumers of their credit decisions.

- Issuers will need to display on periodic statements how long it would take to pay off the existing balance – and the total interest cost – if the consumer paid only the minimum due.
- Issuers will also have to display the payment amount and total interest cost to pay off the existing balance in 36 months.

ACCOUNTABILITY

- *Public posting of credit card contracts:* Today credit card contracts are usually available only in hard copy and not in plain language. Now issuers will be required to make contracts available on the Internet in a usable format. Regulators and consumer advocates will be better able to monitor changes in credit card terms and evaluate whether current disclosures and protections are adequate.

- *Holds regulators accountable to enforce the law:* Regulators will be required to report annually to the Congress on their enforcement of credit card protections

- *Holds regulators accountable to keep protections current:* Regulators will be required to request public input on trends in the credit card market and potential consumer protection issues on a biennial basis to determine what new regulations or disclosures might be needed.

- *Increases penalties:* Card issuers that violate these new restrictions will face significantly higher penalties than under current law, which should make violations less likely in the first place.

CLEANS UP CREDIT CARD PRACTICES FOR YOUNG PEOPLE AT UNIVERSITIES

- The act contains new protections for college students and young adults, including a requirement that card issuers and universities disclose agreements with respect to the marketing or distribution of credit cards to students.

Opposing Bailouts

I has always been opposed to the bailout for Wall Street firms. Below are some of the steps I have taken to end the culture of bailouts in Washington.

- I voted against releasing the second half of the $350 billion in spending for the Troubled Asset Relief Program.

- I also voted in the House Financial Services Committee to prevent the Treasury from accessing any remaining TARP funds, effectively ending the program. The amendment I supported would officially terminate the TARP program this year and prevent a possible extension into the future.

- I believe that all repaid TARP funds must go towards paying down the national debt.

- In addition, he also sponsored and voted for legislation to increase the transparency at Treasury about how financial institutions are using their bailout funds. The money provided to Treasury was intended to loosen up credit on Main Street. If banks are not using the money as intended, Congress and taxpayers should know about it.

Give Congressman Adler Your Ideas

Congressman Adler always wants to hear from his constituents. If you have any ideas on how to reform Wall Street and protect the families and small businesses in our area, then please send Congressman Adler an email at john.adler@mail.house.gov .